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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

IN RE:	)	
	(	Case No. 08-36705 BJH
SUPERIOR AIR PARTS, INC.	)	
	(	Chapter 11
Debtor	)	
_____	(	

**OBJECTION TO**  
**NOTICE OF REJECTION OF EXECUTORY CONTRACTS**

**TO THE HON. BARBARA J. HOUSER, UNITED STATES BANKRUPTCY JUDGE:**

**COMES NOW ZANZI S.p.A. (“Zanzi”)**, who files its Objection To Notice of Rejection of Executory Contracts and would respectfully show the Court as follows:

1. On August 26, 2009, Debtor served its “Notice of Rejection of Executory Contracts” on Zanzi.
2. In said Notice, Debtor asserted that “pursuant to Article 7 of the Third Amended Plan of Reorganization Dated July 23, 2009, (“Plan”), filed by the Debtor and the Official Committee of Unsecured Creditors (“Proponents”), and notwithstanding anything in the Plan to the contrary, the Proponents shall REJECT the Executory Contracts listed on the attached Exhibit A.” Zanzi was included on Exhibit A.

3. Exhibit A to the “Notice of Rejection of Executory Contracts” does not detail with specificity the Contracts or purchase orders that Debtor seeks to reject.
4. In its relationship as a supplier for Debtor, Zanzi provides valves that are used in the construction of airplane engines built by Debtor.
5. The nature of the valves provided to Debtor by Zanzi requires that they be built in accordance with strict specifications and the production thereof evolves through a variety of steps over a specified period of time, which can be six to nine months or even longer.
6. Several purchase orders were generated and shipped before the within Chapter 11 proceeding was filed on December 29, 2008. Several purchase orders were still a “work-in-progress” at the Chapter 11 Petition filing date. Several purchase orders were placed by Debtor to be filled by Zanzi for delivery as far away as August, 2010.
7. Zanzi contends that Debtor cannot unilaterally reject all Executory Contracts, especially in light of the fact that many purchase orders have been shipped, many more are a “work in progress” and still other orders were placed when Debtor knew it was filing for bankruptcy.
8. The work in progress and the materials required by the Purchase Orders were acquired pursuant to specifications which Zanzi will find difficult to use for any of its other customers. Debtor should be held liable for (1) the manufactured valves completed by Zanzi; (2) the work in progress; and (3) the materials in

stock which were specifically purchased by Zanzi for Debtor prior to December 29, 2008.

9. Debtor issued Purchase Order revisions in May, 2008. Zanzi alleges that Debtor acted in bad faith in meeting with Zanzi in Dallas in June of 2008 and in Italy in October of 2008, when it failed to cancel the Purchase Orders or even advise Zanzi of Debtor's precarious financial condition. At both times, Debtor's representatives confirmed it wanted the Purchase Orders honored by Zanzi. Debtor knew that by its misrepresentations, Zanzi would incur irrecoverable damages by continuing to assure Zanzi that Debtor would honor delivery and payment for the valves set-forth in the Purchase Orders.
10. Debtor should not be allowed to reject its obligations to Zanzi after filing bankruptcy on December 29, 2008. Debtor could have mitigated Zanzi's damages in both June and October of 2008, but chose to keep Zanzi in its manufacturing mode. Debtor knew that the manufacturing process took many more months to complete.

WHEREFORE, PREMISES CONSIDERED, Zanzi requests that Debtor's Notice of Rejection of Executory Contracts be denied in toto and that Zanzi be granted such other and further relief to which it may show itself justly entitled.

Respectfully submitted,

/s/ **Larry K. Hercules**

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ATTORNEY FOR ZANZI S.p.A.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Objection To Notice of Rejection Of Executory Contracts was sent by First Class U.S. mail, postage prepaid, to Stephen A. Roberts, Robert P. Franke and Duane J. Brescia, Strasburger & Price, LLP, Attorneys for Debtor, 600 Congress, Suite 1600, Austin, Texas, 78701, as well as the parties listed below and on the attached service list on this the 24<sup>rd</sup> day of September, 2009:

**U.S. Trustee:**

Office of the U.S. Trustee  
100 Commerce Street  
Room 976  
Dallas, TX 75242-1496

**Arkadin, Inc.**

620 Tinton Avenue  
Tinton Falls, NJ 07724

**Choice Solutions, L.L.C.**

Attn: James Steinlage  
10801 Mastin Blvd., Suite 900  
Overland Park, KS 66213

**New Horizons**

5151 Belt Line Road  
Dallas, TX 75254

**Print, Inc.**

11265 Kirkland Way, Suite 3000  
Kirkland, PA 98033

**Thielert Aircraft Engines GmbH**

Neiritzstr 14  
D-10097, Dresden, Germany

**Web Trends**

851 SW 6<sup>th</sup> Avenue, #600  
Portland, OR 97204

/s/ *Larry K. Hercules*

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